



State of Arizona

Janice K. Brewer
Governor

Office of the Governor
1700 West Washington Street, Phoenix, AZ 85007

Main Phone: 602-542-4331
Facsimile: 602-542-7601

FOR IMMEDIATE RELEASE
January 16, 2013

CONTACT: Ann Dockendorff
(602) 542-7029
ADockendorff@az.gov

Governor Jan Brewer Joined by Arizona Health Care, Business Leaders who Rally behind Medicaid Expansion

Governor's Plan will Boost Economy, Preserve Safety-Net and Rural Hospitals

PHOENIX – Governor Jan Brewer today was joined at Maricopa Medical Center by a coalition of Arizona's premier business leaders and health care advocates as they voiced support for the expansion of the State's Medicaid program.

"My concerns about the Affordable Care Act are well-known, but it is the law of the land. With this expansion, Arizona can leverage nearly \$8 billion in federal funds over four years, save or protect thousands of quality jobs and protect our critical rural and safety-net hospitals," said Governor Brewer. "The business and health care communities are uniting with me in this effort because they know how important this issue is to Arizona. I'm grateful for their support and am confident it will grow as we continue to make our case across this state."

On Monday, Governor Brewer announced her decision to expand Medicaid in accordance with the Affordable Care Act. By slightly expanding eligibility for Arizona's Medicaid program beyond what voters have already twice approved, Arizona will receive \$7.9 billion in federal funds over four years – \$1.6 billion in the first year alone.

This money will not only insure hundreds of thousands of low-income Arizonans, it will be an economic boon and help maintain the viability of rural and safety-net hospitals feeling the pinch from growing costs of uncompensated care.

Governor Brewer's Medicaid plan will be accomplished at NO COST to the State General Fund. It also will include a critical safeguard that rolls back enrollment if federal reimbursement rates decrease.

Business and health care leaders from across Arizona are lining up in support of the Governor Brewer's proposal. Please see their statements below:

Betsey Bayless, President and CEO of the Maricopa Integrated Health System

"The Governor has recognized the staggering human cost to Arizona families without health insurance, and the increasing financial burden to hospitals can only be alleviated by taking strong action. The Governor also recognizes that AHCCCS is a national model and 'gold standard' for cost-effective, managed care. It is to the Governor's credit that she has stepped forward and taken this position so forthrightly. The people of Arizona are well-served by Governor Brewer and her commitment to the people of this state."

Glenn Hamer, President and CEO, Arizona Chamber of Commerce & Industry

"There is no love lost between this governor and the Obama administration. The taxes in the Affordable Care Act – the new taxes on medical devices and on investment income, for example – harm our economy and stifle growth. Business would much rather have seen a health care overhaul that was much more market-driven and promoted increased patient choice and flexibility while addressing the continual increase in the cost for employers and individuals. But by opting to expand Medicaid, Arizona is positioned to obtain \$1.6 billion in federal matching funds in the first year alone, which could help mitigate the effects of the hidden tax, while providing insurance coverage to an estimated additional 240,000 Arizonans."

Judy Rich, President and CEO, Tucson Medical Center; Chairwoman of the Board, Arizona Hospital and Health Association

"On behalf of hospitals throughout Arizona, we thank Governor Brewer for her leadership and support for the restoration and expansion of AHCCCS coverage for our most vulnerable citizens. This is the right decision for Arizona to honor the will of the voters who supported Proposition 204. The expansion of AHCCCS will boost the economy, save state money, lower health care costs for employers and – most importantly – improve the quality of life for everyone."

Todd Sanders, CEO, Greater Phoenix Chamber of Commerce.

"Expanding AHCCCS makes sense for thousands of uninsured Arizonans, as well as for the many businesses that indirectly bear the costs of care for the uninsured through higher insurance premiums. The 'hidden health care tax' is a real issue for companies of all sizes, and addressing it saves our members money and makes our state more competitive."

Linda Hunt, Senior VP of Operations, President/CEO, Dignity Health Arizona

"We commend the Governor for her vision in setting a new path toward economic stability in the healthcare sector. The expansion initiative will not only give thousands of working Arizonans a chance to maintain their health, but will help healthcare providers continue to expand on the innovations that have propelled our bioscience community forward."

Julie Pastrick, President and CEO, Flagstaff Chamber of Commerce

"The Governor's Medicaid plan is tremendously important to the business community in rural Arizona. With this plan, we can not only bolster our essential rural hospitals and the role they play in our economy, but we can also begin to reduce the burden borne by Arizona families and business owners due to the growing costs of uncompensated care. We commend Governor Brewer's decision."

Reginald Ballantyne, Senior Corporate Officer at Vanguard Health Systems

"On behalf of Abrazo Health Care, its physicians, nurses and thousands of other dedicated staff members, I strongly applaud Governor Brewer's courageous and thoughtful decision to expand Arizona's nationally-recognized AHCCCS program to 133% of the federal poverty level. As is the case with other hospitals across the state, Abrazo's hospitals are experiencing spiraling costs for uncompensated care – with those costs ultimately passed along to Arizona's consumers to the tune of nearly \$2,000 per family, per year. We stand fully prepared to work with Governor Brewer and the Legislature to restore and expand AHCCCS coverage -



State of Arizona

Janice K. Brewer
Governor

Office of the Governor
1700 West Washington Street, Phoenix, AZ 85007

Main Phone: 602-542-4331
Facsimile: 602-542-7601

allowing us to take advantage of available federal resources, reduce costs for Arizona families and take pressure off the State budget.”

Neal Cash, President and CEO, Community Partnership of Southern Arizona

“Governor Brewer’s courageous support for Medicaid expansion is great news for people in Arizona who have a mental illness or substance-use disorder. Medicaid expansion will restore services to thousands of people with a serious mental illness who for the past few years have had to rely on expensive and often uncompensated care in emergency departments and crisis centers.”

Robert Meyer, President and CEO, Phoenix Children’s Hospital

“We applaud Governor Brewer’s bold leadership decision to support the availability of health care coverage to more Arizonans through the AHCCCS program. Although the debate has been centered on the childless adult population, the fragile pediatric population has been deeply impacted as well. As we all know, across the board cuts in AHCCCS, uncompensated care and Medicaid shortfalls impact safety net hospitals disproportionately and do not discriminate between adult or pediatric health care. The Governor’s leadership will help stabilize a troubled industry, secure professional jobs, encourage growth, and will have a lasting impact on the health and productivity of all of our citizens.”

Rick Murray, CEO, Arizona Small Business Association

“We commend the Governor for her willingness to look at this issue with such a broad perspective. While the benefit to underserved Arizonans is obvious, it’s the economic benefit of nearly \$2 billion a year pumped into Arizona’s economy that will positively affect every Arizonan and hundreds of Arizona small businesses.”

Karen Mlawsky, CEO, University of Arizona Health Network

“We applaud Governor Brewer on her decision to support the Medicaid expansion, and look forward to working with her to make it a reality. The restoration of childless adults and the expansion of Medicaid is a smart economic solution that helps our state remain competitive while serving those in need. This will lower the cost of uncompensated care and help everyone throughout the state.”

James Stover, CEO, University of Arizona Health Network Health Plans

“Governor Brewer is showing strong leadership by supporting the will of the voters and supporting Arizona’s AHCCCS program, which is a national model for Medicaid. AHCCCS has been a leader in the United States for innovating and containing health care costs for over 30 years. This is the best economic move for the state, small business owners and taxpayers.”

Dr. Dennis Lund, Executive Vice President, Phoenix Children’s Medical Group

“We want to say ‘thank you, Governor’ for this strong vision of a sustainable health care system that promotes the good work of AHCCCS to other states and doesn’t accept that all delivery models are broken. AHCCCS has been a bright light of innovation for the whole country, and this is an opportunity to showcase our resourcefulness, proven fiscal management and improved health outcomes. With reform, fiscal responsibility, and economic opportunity at the forefront of the political landscape, we look forward to the Governor’s leadership nationally on this issue and assisting her in her efforts.”

Dr. Mick Pattinson, Chief Executive Officer, Northern Arizona Regional Behavioral Health Authority, Inc.

“Governor Brewer’s decision to support Medicaid expansion is a win-win for Arizona. This plan not only restores the health care coverage previously approved by a large majority of voters, it also will bring billions of dollars into our economy with expanded health care coverage for additional citizens as well. This new revenue will help us expand the infrastructure in behavioral health that will strengthen the safety net so badly needed across the state. The Governor is clearly demonstrating visionary leadership that everyone can support.”

Kote Chundu, MD, MMM, President and CEO, District Medical Group

“With the expansion of Medicaid, we would be giving our at-risk citizens more control over their health care, their families and their futures. This expansion secures a federal revenue stream to cover the costs of the uninsured that already show up in our doctors' offices and emergency rooms. Expanding Medicaid benefits not only the uninsured, but it also benefits employers and individuals who purchase private health insurance, hospitals and Arizona's economy as a whole. Uninsured families who use emergency rooms often can't pay their bills, and having insurance will refocus on primary care and prevention in this susceptible population. I applaud Gov. Brewer for her courage and conviction with this visionary decision in helping our most vulnerable population, hospitals and ensuring our long-term economic growth.”

Emily Jenkins, President and CEO, Arizona Council of Human Service Providers

“We applaud the Governor’s leadership and pragmatism. Her proposal is the only way to honor the voters’ mandate for the childless adults. With coverage for behavioral health services, there will be a reduction in the use of hospital emergency departments for psychiatric emergencies, resulting in lower uncompensated-care costs.”

###